

IN THE MATTER OF THE INTEREST ARBITRATION BETWEEN

<p>The Clarke County Secondary Road Department</p> <p>and</p> <p>The International Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers of America, Local #147</p>	<p>Iowa Public Relations Board: CEO # 985/Sector 3</p> <p>Arbitrator: Walter J. Foley Arbitration Award Issued 10/27/2004</p>
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Appearances

For the County

Ms. Renee Von Bokern

For the Union

Mr. Mike Stanfill

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Introduction and Procedural History

Clarke County (hereinafter the County) is located in south-central Iowa and The Public Employment Relations Board (hereinafter PERB) has, for collective bargaining purposes, designated this area of the State: Sector Three (3). The County and Local #147 (hereinafter the Union), began negotiating the terms and conditions of their 2004-2005 contract in the fall of 2003 and were unable to reach agreement. After mediation, the parties were still unable to reach agreement and, as spelled out in the Public Employment Relations Act (PERA) of the Code of Iowa, they proceeded to Fact-Finding. The Fact-Finding Hearing was held on August 18, 2004 and the issues at impasse were listed as: *recall rights; length of job postings; layoff and recall language; sick leave; allocation for safety shoes; insurance, and wages.* On August 28, 2004, the fact-finder (Ms. Sharon K. Imes) issued the Report that contained her recommendations for the settlement of the seven issues presented by the parties at the Hearing.

In the Report, the reasonableness of the parties' positions on each of the issues was determined on an issue by issue basis and the position judged most reasonable was

arrived at by weighing the factors *a panel of arbitrators shall consider, in addition to any other relevant factors*, at 20.22-9 of the PERA. To quote:

- a. Past collective bargaining contracts between the parties
Including the bargaining that led up to the contract.*
- b. Comparisons of wages, hours, and conditions of employment
of the involved public employees with those of other public
employees doing comparable work, giving consideration to
factors peculiar to the area and the classification involved.*
- c. The interest and welfare of the public, the ability of the public
employer to finance economic adjustments and the effect of such
adjustments on the normal standard of services.*
- d. The power of the public employer to levy taxes and appropriate
funds for the conduct of its operations.*

Note: at 22.11 and 22.3 of the PERA, arbitrators (in contrast to fact-finders) are instructed to select **without alteration the most reasonable** (emphasis added) of the parties positions on each issue.

In the negotiations that followed their receiving the Fact-Finding Report, the parties were able to resolve the differences in their recall rights, length of job postings, layoff and recall language, sick leave, and safety shoe positions by accepting the Fact-Finder's recommendations, they were unable to reach agreement on the insurance and wage issues and proceeded to binding arbitration.

The PERB notified the undersigned Arbitrator of his appointment on October 8, 2004 and the Hearing that preceded the issuance of this Award was held on October 26, 2004. Prior to the opening of the Hearing, an informal conference was held with the parties to discuss procedural matters such as their intent to present opening and/or closing statements, the numbering of exhibits, the treatment of witnesses, their intention to submit Post Hearing Briefs, and the degree of formality they wished to observe during the Hearing. It was agreed that opening and closing statements would not be made, exhibits need not be consecutively numbered, no witnesses would be called, Post Hearing Briefs would not be submitted, and their preference was that the Hearing be informal.

The Hearing began a few minutes after three in the afternoon (3:00 p.m.) and ended close to five o'clock (5:00 p.m.) on the same day. Prior to the close of the Hearing, the parties stipulated that they had been granted ample opportunity to present their positions on the insurance and wage issues, raise and respond to questions related to the testimony and exhibits. My understanding of the task of an Interest Arbitrator is to evaluate the record submitted by the parties in light of the PERA criteria quoted above.

When cited in this Award, the criteria will be referred to as: *bargaining history, comparability, public interest, and ability to pay.*

The Hearing

Following custom, the party that did not accept the fact-finders recommendations (in this case, the Union) presented its positions on the two issues that remained unresolved (insurance and wages) first.

The Union presented a notebook tabbed: Facts, Position, Geographical, Population, Current Contract, Fact Finder's Recommendation and, when presenting its positions on the unresolved issues, followed its tabbed format. Under Facts, the Union described its merger with Local 238, the employees it represents, the fact that the parties have negotiated nine contracts, the fact that Clarke County is growing in population, compared county official and Union member wages, and listed the available wage rates for all of the counties in the State of Iowa. Under Position, the Union presented its positions on the unresolved insurance and wage issues. To quote, the Union position on the insurance issue was; *that insurance remain the same, 250/750 deductible, 90/10 or insurance, maximum out of pocket 1000/2000, office visit 10, drug card 5/15 or change to Option 5 with an employee contribution of 20% instead of the current 35%, and its position on the wage issues was July 1, 2004: 7% increase.*

Following the Geographical tab, the Union presented a listing of the seven counties surrounding Clarke County. The Union had added Ringgold and Warren Counties to the five Counties listed by the Fact-Finder on page 4 of her Report as footnote 1. To quote:

Based upon geographic proximity and other demographics, Madison, Union, Lucas, Decatur and Wayne counties shall constitute the primary comparables and goes on to conclude that there is no need to make secondary comparisons or to consider statewide data in most instances.

On page 11, the Union used these seven Counties in its summary of the family insurance coverage in its geographic comparison group and the same seven Counties in the table that listed their Truck Driver, Equipment Operator, and Mechanic hourly wage rates in its presentation. The data shown at the bottom of the page rank the Clarke County hourly wage rank in the same classifications against the State Average and show the cents

per hour the Clarke County hourly wage rates are below the Average for the job classifications listed (see pages 4 and 5 in the Union Exhibit Notebook).

The exhibit on page 13 shows the six counties similar to Clarke County in the Union's population based comparability group. The insurance benefit and wage rate comparisons made by the Union appear on pages 15 and 16 and a copy of the parties' current three year agreement and a copy of the Fact-Finder's Report follow the last two tabs in the Union Exhibit Notebook

At the beginning of its presentation, the County noted that the Elected Official and Secondary Roads Department Equipment Operator salary comparisons that appear on page 3 of the Union Exhibit Notebook are misleading. They do not perform comparable work and it is not valid to compare their salaries. The County then pointed out that it is also misleading to list the Fact-Finder recommendations that favored the Union positions on the *length of job posting* and the *sick leave* (Articles 8 & 9) on page 7 without including those that favored the *no change* County position on the *length of job posting*, *layoff and recall language* and *allocation for safety shoes* (Articles 7,9, & 18) provisions. The County then noted that the Union's *either* continue the present plan *or* reduce the 35% employee contribution to 20% in the Option 5 plan wording of its position on Article 15 presents a choice rather than a position. Prior to proceeding with its elaboration of the content of its Exhibits, the County noted that it had accepted all seven of the Fact-Finder's settlement recommendations and went on to present budget data that provided the financial background for its decision.

. Beginning with its Exhibit Folder, the County discussed its addition of Adair County to the five Counties included in the Fact-Finder's geographic comparability group and its inclusion of the page in the Iowa Code (p.439) that contains the criteria quoted and discussed on page 2 of this Award. Next, the County discussed the Exhibit that compares the *Patrol Operator* hourly wage rate in Clarke and the counties in its comparability group maintaining that: *Insurance and wages cannot be analyzed in isolation. They are the two pillars of an employee's compensation package. Not only does Clarke have the 4th highest wage rate, they have a superior health insurance benefit package.*

During its discussion of its acceptance of the Fact-Finder's Health Insurance recommendation, the County noted that, in relation to the counties that are geographically comparable to Clarke, it *strikes a balance between premium cost and plan structure (deductibles, OPM, etc.)*. In terms of employer-employee cents per hour, dollars per month, and dollars per year, the County Exhibit showed that the benefits provided under the Plan not only costs less, it provides Health Insurance Benefits that are equal to or better than those provided by the other Counties in its comparability group.

The County referenced the table shown on un-numbered pages 6 of its Exhibit Folder when it discussed the July 1, 2004-5 fiscal year family premium employee contributions to the Health Insurance Benefit Plans in Clarke and comparable Counties. Then, the County used the table shown on the next page when it discussed the differences in the Health Insurance premium employer and employee cost under a renewal of the 250/750 Plan and the 500/1500 Plan. When the County discussed the cost of the Union position of continuing the current 250/750 Plan and reducing the employee's 35% family coverage contribution to 20%, the County referenced the third and last page of its *Clarke County 12 Month and 6 Month Renewal Rates Exhibit*.

The County closed its presentation by noting that prior to accepting the recommendations contained in the Fact-Finding Report, it carefully reviewed them in light of the Chapter 20 criteria. What the County was searching for were errors in the application of the criteria that would result in the Fact-Finder's recommendations being replaced by its positions when they differed. When they could not be found, the County balanced the cost of challenging those that differed against the chances that their positions would be sustained at Arbitration and decided, for *strictly economic reasons*, that the chances were not good enough to warrant the expense.

Discussion

While creative, the *either-or* Union position on the Health Insurance issue has to be considered in light of the Fact-Finder's acceptance of the County position that the current Plan be replaced by the Option 5 Plan offered by the Insurer. The Fact-Finder noted after examining the record that continuing with the plan that was in force prior to July 1, 2004 will trigger a *Minimum Premium Total Rate Change from Current Rates of 40.8% and demands a change in either the benefits or the employee's participation in the*

cost of providing that benefit. Given that the Fact-Finder knew that the Option 5 Plan is in place for all other County employees, she found the Union position of maintaining the present Health Insurance Plan was not a tenable alternative.

In her Report, the Fact-Finder noted that while replacing the present Health Insurance Plan with the Option 5 Plan will increase the *out of pocket* expense an employee incurs by \$23.17, this figure (when subtracted from the \$69.81 increase the same employee would incur if the current Plan was not changed to the Option 5 Plan) represents a \$46.64 increase. After pointing out that an employee can only spend the wages they actually receive, the Fact-Finder concluded that *an employee will have more take home pay under the County's proposal than that employee would have if the current benefits were maintained* and called the \$46.64 cost difference a *ghost saving*.

Turning to the Union's *or* position of accepting the Option 5 Health Insurance Plan and reducing the 35% contribution an employee who selects family coverage presently makes to 20%, the cost data available for this change in the wording of their Agreement appear in two of the County Exhibits. The figures on unnumbered page 7 of the County's Exhibit Notebook show that the present 65%-35% per month employer-employee cost sharing contributions of \$87.94 - \$23.17 turns out to be a 63 and 13 cent per hour increase. The County exhibit that directly compare the present 35-65% employee-employer contribution to the 20-80% employee-employer contribution to the Option 5 Plan proposed by the Union show that the employer contribution goes from \$772.84 to \$852.73 per month (an increase of \$79.89) while the employee contribution goes from \$186.42 to \$106.53 per month (a decrease of \$79.89).

Given that the Fact-Finder stated that the 3% wage increase she recommended for the members of this bargaining unit exceeded the 2.2% increase other County employees will receive in the 2004-2005 fiscal year in her Report, the reason the County accepted it appears on the last page of its Exhibit Notebook as the last sentence of the Summary. To quote: *There is overwhelming data and evidence that support the Fact-Finder's recommendations and* (the County goes on to suggest that) *they should be awarded by the Arbitrator.*

It was clear to the County that, in addition to the Criteria she mentioned in her Report and listed on page 2 of this Award, the Fact-Finder included other relevant factors

when making her wage and other recommendations. One such factor was her specific mention of the Consumer Price Index and another was the fact that *since this County is proposing a significant change in insurance benefits for this unit the wage rate should reflect a quid-pro-quo, just as the wage rate increase in Union County reflects.*

Taken together, the Fact-Finder's recommendation that the County accept a 3% increase in the wage rates that appear on the last page of their Agreement: her recommendation that the County also accept the changes to Articles 8 and 11 proposed by the Union, and her recommendation that the Union accept the *significant changes* to the Health Insurance Program proposed by the County were all based on internal as well as external comparisons with other similar Counties in light of the Criteria and the other relevant factors she considered when she issued her Report.

After examining the record submitted at the Arbitration Hearing that preceded the issuance of this Award in light of the same Criteria and other relevant factors, there is sufficient reason to believe that the wage rate and health insurance benefit packages recommended by the Fact-Finder for the employees in this bargaining unit were based upon their impartial application and continue to be quite similar to those provided similarly situated employees in comparable Counties and need not be altered.

The Award

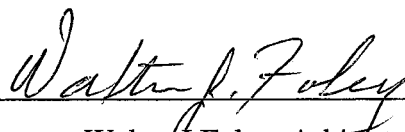
ARTICLE 15 INSURANCE

No change to current contract language.

Benefit levels to those of Option 5

WAGES

3% on July 1, 2004


Walter J. Foley, Arbitrator

November 5, 2004

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CERTIFICATE OF SERVICE

I certify that on November 5, 2004, I served the foregoing Interest Arbitration Award upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

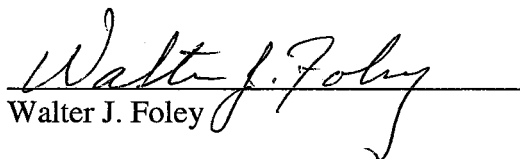
For the Clarke County Board of Supervisors:

Ms. Renee Von Bokern
2771 104th Street Suite H
Des Moines IA 50322

For the Teamster's Local No. 147:

Mr. Mike Stanfill
2425 Delaware Avenue
Des Moines IA 50317

I further certify that on November 5, 2004, I will submit this Award for filing by mailing it to the Iowa Public Employment Relations Board, 510 East 12 Street, Suite 1B, Des Moines, Iowa 50319-0203.


Walter J. Foley